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**Capital Budget Committee**

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**HB 2395**

**Brief Description:** Regarding leasing and development rights on state lands.

**Sponsors:** Representatives Fromhold and McDonald.

**Brief Summary of Bill**

- Allows the Department of Natural Resources to lease state land, and development rights on state land, held for the benefit of common schools to public agencies for terms not to exceed 99 years.

**Hearing Date:** 3/29/07

**Staff:** Nona Snell (786-7153).

**Background:**

Upon Washington State's admission to the United States in 1889, the federal government provided it with approximately 3.2 million acres of land to support public institutions, including common schools, public buildings, and higher education. Washington has retained the majority of these granted lands and now manages about 2.25 million federally granted acres. The state also manages approximately 626,000 acres of state forest lands, beneficiaries of which include counties and junior taxing districts.

The Department of Natural Resources (DNR) manages these trust lands for the state. They generate revenue through the sales of timber and forest products and through leases.

The DNR has the authority to lease state lands for purposes including commercial, industrial, residential, agricultural, and recreational uses in order to obtain a fair market rental return to the state or appropriate trust. The length of the lease is dependent upon its purpose.

**Summary of Bill:**

The DNR may lease land and development rights on state lands held for the benefit of the common schools to public agencies for terms not to exceed 99 years. The DNR may enter into

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leases with public agencies through negotiations, which may allow for a lump sum payment for the entire lease term at the beginning of the lease. The leases may include provisions for renewal.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.